S. HRG. 100-551

NOMINATION OF WILLIAM H. LeBLANC III

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

NOMINATION OF WILLIAM H. LeBLANC III TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION

OCTOBER 6, 1987

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NOMINATION OF WILLIAM H. LeBLANC III

TUESDAY, OCTOBER 6, 1987

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 9:55 a.m., in room SD-342, Dirksen Senate Office Building, Hon. David Pryor presiding.

Present: Senators Pryor and Stevens.

OPENING STATEMENT OF SENATOR PRYOR

Senator PRYOR. Good morning. The Committee will come to order. I apologize for being late. We had a little vote on the floor and now that has been concluded.

The purpose of today's full Committee hearing is to receive testimony on the nomination of William H. "Trey" LeBlanc III to serve as a Commissioner of the Postal Rate Commission. If confirmed, Mr. LeBlanc will serve the remainder of an unexpired term that runs through November 1988.

The Committee rules require that the Committee conduct an inquiry into the nominee's experience, qualifications and suitability to serve in the position for which the President has nominated this particular individual.

In this case, the Committee has received from the nominee financial statements and detailed information on educational, employment and professional accomplishments. He has also responded in writing to a number of pre-hearing questions. Copies of the biographical information and pre-hearing questions will be placed in the record as part of this hearing.

The Committee staff interviewed the nominee prior to the hearing. In addition, the Committee has received written opinion letters regarding the nominee from the Office of Government Ethics and the General Counsel of the Postal Rate Commission.

Another Committee rule requires that the testimony taken in connection with a confirmation be taken under oath. So, Mr. LeBlanc, if you will please stand and raise your right hand: Do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LEBLANC. I do.

Senator PRYOR. Thank you, Mr. LeBlanc. I will ask you in a moment if you have a statement. You may proceed to the witness table.

First, let me call on my friend and esteemed colleague, Senator Ted Stevens of Alaska.

Senator STEVENS. Thank you very much, Mr. Chairman. I have just met Mr. LeBlanc. He comes very highly recommended personally to me by his Senator, so I have no questions.

Senator PRYOR. Mr. LeBlanc, do you have a statement that you would like to make?

TESTIMONY OF WILLIAM H. LeBLANC III, NOMINEE TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION

Mr. LEBLANC. I do not have a statement at this time. I would like to make just a brief comment to thank the President for this nomination. I would also like to thank the Committee and all the staff people I have worked with for the expeditious manner in which I have been helped. I would also like to thank Senator Johnston for his nomination for me at this particular time. And last, but definitely not least, I look forward to working with the Commission and their Chairperson, Ms. Steiger, if I am so honored.

Senator PRYOR. Mr. LeBlanc, is there anything that you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. LEBLANC. No sir, not that I know of.

Senator PRYOR. Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Mr. LEBLANC. No, sir.

Senator PRYOR. If you are confirmed, Mr. LeBlanc, do you agree without reservation to appear and testify before any duly constituted committee of the United States Congress?

Mr. LEBLANC. [Nodding affirmatively.]

Senator PRYOR. Mr. Leblanc, why do you feel you are qualified to be a Commissioner of the Postal Rate Commission, and what contribution do you feel you might make to the Commission?

Mr. LEBLANC. My years of experience as a businessman has given me, in my opinion, the business approach or the business community's approach to some of the problems that may or may not exist with the Postal Service. In my opinion, I hope that my years of dealing with people and therefore understanding, if you will, and hopefully some sensitivity that I have gotten over the years, could also be of service for me.

As far as my contribution, what I can do for the Commission, I hope to bring a definite businessman's approach to it. I have had a lot of budgetary experience in my own business. I have dealt with figures day in and day out and making changes where necessary, and, hopefully, I can bring the independent approach to this Commission and keep its neutral decision making process in order.

Senator PRYOR. At this time, it is my understanding we are about half-way through a major rate case. If confirmed to this position, what are your intentions with respect to participating in this particular matter before the Commission.

Mr. LEBLANC. Sir, I have always been a man that if I am part of something, I am part of it. I do not want to come in and not do what I am supposed to do. In my opinion, this is a major case. Whether it means a lot of midnight oil or whatever it means, I am

willing to do whatever is necessary to take my part. If I am so nominated and go through the process, to me it is a job. I want to do whatever I can to make this thing the best possible.

Senator PRYOR. Mr. LeBlanc, I will not ask you your position on Judge Bork. [Laughter.]

At this time, I will yield to Senator Stevens for any questions.

Mr. LEBLANC. Thank you, sir.

Senator STEVENS. Have you had any background in similar type of functions at ascertaining rates at anything in the past, Mr. LeBlanc?

Mr. LEBLANC. No, sir, I have not, Senator Stevens. But, again, as far as I would look at it, I am coming from a business environment, running my own business, and hopefully dealing with the budgets that I have had to deal with over the years and on the different associations and directorships that I have had dealing with other budgets, this could be a help as far as dealing with the rates and the classifications that would be involved.

Senator STEVENS. Have you been a substantial mailer in the past?

Mr. LEBLANC. If you want to count the bills that we send out, yes. And of course the checks are always in the mail. But as far as——

Senator STEVENS. You have not been involved in any kind of direct-mail activities, have you?

Mr. LEBLANC. No, sir, I have not.

Senator STEVENS. Has anyone briefed you on the background of the Commission?

Mr. LEBLANC. The only thing I have basically done is talk with people, the staff members. I have done some reading on what the Commission has done in the past and, of course, everybody knows about the case to some degree, but I have not been briefed per se as to what my job will be, other than reading and talking to some of the people.

Senator STEVENS. Well, I wish you good luck. Thank you.

Mr. LEBLANC. Thank you very much.

Senator STEVENS. As I said, your Senator was very complimentary of your capabilities and your background and we are pleased to have you take this task on.

Mr. LEBLANC. Well, thank you very much, sir.

Senator PRYOR. I have no further questions.

Mr. LeBlanc, thank you. You are excused.

[Whereupon, at 10:05 a.m., the Committee adjourned subject to the call of the Chair.]

APPENDIX

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL INFORMATION

1. Name: William Hardee LeBlanc, III
W.H. LeBlanc, III (signature)
"Trey" LeBlanc (nickname)

2. Position to which nominated: U.S. Postal Rate Commissioner

3. Date of nomination: September 21, 1987

4. Address: (home) 4424 Pine Park Drive
Baton Rouge, Louisiana 70809

(office) Post Office Box 3678
Baton Rouge, Louisiana 70821

5. Date and place of birth: May 15, 1948
Baton Rouge, Louisiana

6. Marital status: Married to Jane Lessel Crews

7. Names and ages of children: Rachel Lucille LeBlanc - 13
Elizabeth Claire LeBlanc - 11
William Hardee LeBlanc, IV - 3

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

Catholic High School Baton Rouge, Louisiana Diploma Received 1966	1962-1966
Louisiana State University Baton Rouge, Louisiana B.S. Degree in Management	1966-1967 1970-1972 Winter 1972

9. Employment record: List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.

1972-PRESENT - BATON ROUGE SUPPLY COMPANY, INCORPORATED
BATON ROUGE, LOUISIANA

1972-1973 - Worked in all phases of yard operation, from driving trucks and unloading box cars, to cleaning and working in the warehouse.

1973-1975 - Executive Trainee. Worked in all phases of the business from collections to sales management.

1975-1979 - General Manager

1979 to Present - President and General Manager

10. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, of local governments, other than those listed above.

None

11. Business relationships: List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Baton Rouge Supply Co., Inc. - President
D&L Building Partnership - Partner
Louisiana Building Material Dealers Assoc. - Director/President
L & H Distributing Co., Inc. - President

12. Memberships: List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Louisiana Building Materials Dealers Association
Baton Rouge Lumber Dealers
Home Builders Association of Baton Rouge
Baton Rouge Chamber of Commerce
Social Group - The Alexians

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

I was a member of the finance committee of Thomas H. Hudson - unsuccessful Democratic hopeful for the U.S. House of Representatives from the State of Louisiana.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $50 or more for the past 10 years.

See list attached at Tab E.

14. Honors and awards: List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Outstanding Catholic Youth Award - 1966 - Baton Rouge, LA

15. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None

16. Speeches: Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have bveen nominated.

None on Postal Matters.

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

I believe I was chosen on the recommendation of U.S. Senator J. Bennett Johnston, and the work ethic I possess.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

My years of running my own business gave me a special understanding of the business community's problems. This understanding, I believe, will help me make a more constructive contribution to the independent and neutral decisions of the Commission.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

Yes. However, I will remain a partner in D & L Building Partnership until all remaining office buildings are sold--we are attempting to sell them at this time.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

None.

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

None.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

Informal agreement--Mr. Gary Bonnano of Drusilla Seafood in Baton Rouge, Louisiana, would like me to contact him when my government job ends about becoming general manager of his operation.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

I am a partner in the ownership of three office condominiums in Baton Rouge, Louisiana, that my partner and I are currently trying to sell. If the buildings are sold at a profit, I will share in the profit with my partner.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None.

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

None.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

I will disassociate myself from any interest deemed to be a conflict.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position?

Yes.

D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

No.

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None.

E. FINANCIAL DATA

1. Provide a complete and current financial net worth statement which itemizes in detail:

(a) The identity and value of all assets held, directly or indirectly, with a value in excess of $1,000. This itemization should include, but not be limited to, bank accounts, securities, commodities futures, real estate, trusts, investments and other personal property held in a trade or business or for investment. Household furnishing, clothing and automobiles need not be reported.

(b) The identity and amount of each liability owed, directly or indirectly, which is in excess of $1,000. This should include, but not be limited to, debts, mortgages, loans and other financial obligations for which you, your spouse, or your dependents have a direct liability or which may be guaranteed by yourself, your spouse or your dependents. In identifying each liability, indicate the nature of the liability, the name of the person owed and the terms of payment.

(a) See attached (at Tab A) financial statement which is on file at banks where I have accounts in the Baton Rouge area, and the attached (at Tab B) financial disclosure statement filed recently with the Federal Bureau of Investigation.

(b) See 1 (a) above.

2. Provide a list of all other liabilities owed, directly or indirectly, having a value in excess of $1,000 at any time during the last 12 months. Identify the nature of each liability, the amount, and the name of the person owed. Describe the terms of each liability, the security or collateral for each liability, and the current status of the debt repayment.

None.

3. Provide the identity, date, and amount of all transactions, directly or indirectly, in securities, commodities futures, and real estate or other investments, having a value in excess of $1,000, which have taken place within the last 12 months. For purposes of this paragraph, the identity of individuals or charitable organizations need not be reported but should be indicated.

In the past twelve months, a sale took place that involved the transfer of stock to LeBlanc Management Corporation for approximately $325,000. At that time, my debt to LeBlanc Management Corporation was $457,033. This debt was acquired through the purchase of stock. The stock purchased was pledged as security for the debt to LeBlanc Management. This leaves a remaining balance of $132,033. for which I gave a second mortgage on my property to my father.

4. Provide the identity of and a description of the nature of any interest in an option, mineral lease, copyright, or patent held, directly or indirectly, during the past 12 months and indicate which, if any, have been divested and the date of divestment.

See FBI disclosure form (attached) for Anadarko Petroleum Corporation royalty received. This is on approximately 380 acres (my share is approximately 71 acres) in Iberville Parish, Louisiana.

5. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

None.

6. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

None.

7. List sources and amounts of all items of value in an amount exceeding $100.00 received by you, your spouse and your dependents during each of the last 3 years. This should include, but not be limited to, salaries, wages, fees, dividends, capital gains or losses, interest, gifts, rents, royalties, patents and honoraria. Gifts received from members of your immediate family need not be reported.

See attached copies of Federal income tax forms (1040) filed for self (at Tab C) and dependents (at Tab D).

8. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

None, other than possible profits from sale of office condominiums mentioned in answer to Question 1, Section C.

9. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

Yes.

10. Have your taxes always been paid on time?

Yes.

11. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

Yes.

12. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No.

13. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

No.

14. Provide for the Committee the copies of your Federal income tax returns for the past 3 years. These documents will be made available only to Senators and staff persons designated by the Chairman and Ranking Minority Member. They will not be available for public inspection.

Attached at Tab C.

AFFIDAVIT

W. J. C. Blow III being duly sworn, hereby states that he/she has read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of his/her knowledge, current, accurate, and complete.

Subscribed and sworn before me this 30th day of September, 19 87

Notary Public

NOTARY PUBLIC
DISTRICT OF COLUMBIA

MY COMMISSION EXPIRES JANUARY 31, 1989